RAJYA SABHA

Monday, the 29th February, 1988/
10 Phalguna, 1909 (Saka)

The House met at eleven of the clock, Mr. Chairman in the Chair.

ORAL ANSWERS TO QUESTIONS

SCHEME TO REVIVE BENGAL POTTERIES LIMITED

*81. DR. R. K. PODDAR:†
SHRI MOSTAFA BIN QUASEM:

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Union Cabinet has rejected any scheme to revive the Bengal Potteries Limited of West Bengal; and

(b) whether Government have any plan other than denotification of the unit?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) and (b) A statement is laid on the Table of the House.

Statement

The Central Government, who had taken over the management of Messers Bengal Potteries Ltd., in 1976, with the permission of the Calcutta High Court before whom winding up proceedings were already pending, considered the possibilities of its revival but found that the company could not be made viable with the normal set of reliefs and concessions, and therefore decided to denotify the company. The Calcutta High Court was accordingly informed of the decision of the Central Government and was requested to direct the Official Liquidator to resume the winding up proceedings in relation to the said company. However, Bengal Potteries Workers and Staff Unions and others filed a write petition before the Calcutta High Court and the High Court has, *vide* its order dated 30.10.87, stayed the implementation of the Central Government's decision until further orders. Since then, the matter, is *sub-judice*.

DR. R. K. PODDAR: Sir, under the plea that the matter is *sub-judice* the Government is trying to withhold full information. Sir, the Bengal Potteries has a hallowed tradition. It was established in the twenties under the inspiration of Sir Acharya P.C. Ray. At present, about 4,200 employees are employed there and its products, crockeries and insulators, are famous not only in India, but also abroad. However, in recent years, due to the mismanagement by the management, it went into bad days. But, to make the long story short, four Unions, including the Congress (I) Union, and the officer referred the matter to the Tata Consultants so that the unit could be revived. The Tata Consultants recommended that only Rs. 10 crores for modernisation and Rs. 5 crores as working capital would be needed and if about 1,300 workers could be retired, the unit could be nurshed back to life. The workers agreed to the voluntary retirement of 1,300 workers and the Minister of Industry recommended to the Cabinet that this package was to be accepted by the Government. I would like to know from the honourable Minister what prevented the Government from sanctioning this amount of Rs. 15 crores and nursing this unit back to life which is giving livelihood to 4,200 workers.

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): Sir, this unit was opened in 1919. Now, there are three units, namely, the Crockery Unit, the Insulator Unit and the Plaster of Paris Unit. Two are closed and one is working. The cumulative losses of this unit till today are Rs. 37.79 crores. In 1985-86, the losses were Rs. 8.87 crores and, in 1986-87, they were Rs. 9.75 crores. It is impossible to revive this unit. Now, it is before the Court and I cannot answer anything more. It is before the Court. The workers have filed a petition in the Court and it is pending in the Court.

†The question was actually asked on the floor of the House by Dr. R. K. Poddar.

DR. R K. PODDAR: Sir, he has not answered the actual question I have asked. The recommendations of the Tata Consultants were not accepted by the Government. I would like to know the reason. There was also a recommendation to the effect that the unit may be diversified to produce sanitaryware. Now, Sir, I understand that a new sanitaryware unit is coming up in U.P. with foreign collaboration. Is this the reason why the Government is not helping this unit or it not trying to revive it?

SHRI J. VENGAL RAO: Sir, this report and all things were considered by the Cabinet. The Government decided to denotify this unit and that is why it has been denotified and now it is before the Court.

SHRI NIRMAL CHATTERJEE: The question is not whether the Cabinet has decided or not. The question is, why has it decided? That you have to answer.

SHRI J. VENGAL RAO: It is a losing unit. The Cabinet decided to denotify it. They went to the court also. Another thing is that there are so many sick units. We are utilising only 10 per cent installed capacity of this unit. It does not come under small-scale... (*Interruptions*)

SHRI GURUDAS DAS GUPTA: Respected Sir, it appears to me that the Minister is not only withholding information but the Minister is also misleading the House. The Minister has stated in the answer that the unit is not viable. I would like to know who has said that the unit is not viable. According to my information, there was a viability report given by a competent authority and it had said that this unit could be made viable with diversification. Therefore, the first part of my question is, why has it been stated that it is not viable.? Who has said this and what are the reasons therefor? The second part of my question is, is it not true that the Minister himself, while meeting a delegation of all trade unions, including the INTUC, CITU and AITUC, some months ago, had categorically stated that the Industry Ministry had recommended that this unit should be re-vitalised and it was only pending decision of the Cabinet? Therefore, the Industry Ministry had recommended categorically—and that report has appeared in the Press—that it was so. Why has the Government gone back? I would like to know whether the Industry Ministry had made such recommendation and whether he had categorically assured that delegation of all trade unions that this unit is going to be revived and it would take only several days for the Government to decide at the Cabinet level.

SHRI J. VENGAL RAO: I never assured anything. They came and met me. I told them that I would certainly consider their views. A note was sent by our Ministry. But the final decision is with the Cabinet.

SHRI GURUDAS DAS GUPTA: What was the note, because he stated that publicly, and that report came out in the Press? What was the recommendations?

SHRI J. VENGAL RAO: You very well know about the Cabinet system. I cannot tell you. Our proposal was there. But the final decison is with the Cabinet.

SHRI GURUDAS DAS GUPTA: What was the proposal? I think he is hiding his own recommendation.

MR. CHAIRMAN: A proposal that comes before the Cabinet is not asked for, and it is not given. It is fundamental rule. You know that also.

SHRI GURUDAS DAS GUPTA: It is because a proposal is to set up a factory in Rajiv Gandhi's constituency. That is why it has been wound up.

SHRI J. VENGAL RAO: It is a wild allegation and a baseless allegation. The Government's general policy is not to take over any sick units.

श्री जगदम्बी प्रसाद यादव : सभापति जी, मैं एलिगेशन शब्द का उपयोग नहीं करता और मैं इसको एलिगेशन कहता भी नहीं । अगर उत्तर प्रदेश में एक फैक्टरी और बने तो उत्तर प्रदेश का भी

पिछड़ापन दूर हो जाएगा। इसे मैं एलिगेशन नहीं मानता। यह तो खुशी की बात है। लेकिन मैं यह जानना चाहता हूं कि इस पाटरी में जो 42 सौ मजदूर हैं जिनसे आप सम्बन्ध रखते हैं और वह उद्योग माडर्नाइज भी किया जा सकता है, इसलिये उसकी मांग देश और विदेश सभी में है, तो इसके लिये क्या रिकमंडेशन थी और वर्तमान स्थिति में इसको चलाने के लिये उद्योग मंत्रालय इन मजदूरों की रोजी रोटी के लिय, उनको रोजगार देने के लिये क्या विचार कर रहा है ?

SHRI J. VENGAL RAO: Sir, as I mentioned in the answer, it is before the court. I cannot add anything to what I have already said.

श्री जगदम्बा प्रसाद यादव : मैंने मजदूरों के बारे में पूछा था कि सरकार मजदूरों के लिये, उनकी सुरक्षा के लिये जिम्मेदार है और बार-बार सरकार ने यह स्वीकार भी किया है। अब जो स्थिति वर्तमान है उसमें उनके लिये आप क्या विचार कर रहे हैं ? क्या ये 4200 मजदूर मर जाएं या उनका जो कुछ हो, होने दिया जाए ?

MR. CHAIRMAN: What he has to say, he will say before the court.

SHRI J. VENGAL RAO: As I mentioned, this unit is older than myself. How can you expect it to compete with the modern units? The Government is not in favour of taking over all these sick units.

SHRI CHITTA BASU: The statement supplied with the answer states that the company could not be made viable with the normal set of reliefs and concessions and, therefore, the Government decided to denotify the company. That is the answer given. May I know from the hon. Minister what has been the total quantum of reliefs and concessions already given to this unit since the management was taken over by the Government. Secondly, is it not a fact that salaries and wages were paid by the Government and that they did not invest anything towards the modernisation of the plant itself? It is known that the hon. Minister's colleague, the Minister of State for Commerce, Mr. P. R. Das Munshi, is on record to say in the press that he made several suggestions to his Cabinet colleague and one of those suggestions was that the management of this company should be handed over to Indo-Soviet Chamber of Commerce. The Soviet Union has also agreed to have a joint enterprise in India on ceramic and particularly the Bengal Potteries. What is the reaction of Government thereto? Firstly I want to know what was the total amount given and what portion of it was for modernisation of the plant.

श्री जगदम्बा प्रसाद यादव : कैबिनेट ने कहा है कि चुप रहना।

SHRI J VENGAL RAO: Sir, in Bengal, all the party M.Ps. are one. Their opinion about this factory is unanimous. Mr. A K. Sen, Mr. Ajit Panja and Mr. Chitta Basu all are one on this issue. It is a losing concern. We are losing 50 lakhs of rupees. How is it possible to revive this unity?

SHRI CHITTA BASU: Sir, are you satisfied that I have been answered properly?

MR. CHAIRMAN: You have asked a question and he has replied. I cannot ask more.

SHRI CHITTA BASU : I have made two specific points. What is the total amount of concessions and reliefs given to the unit and what is the amount which has been given for modernising the unit?

MR. CHAIRMAN: He wants to know what you have spent on modernisation.

SHRI J. VENGAL RAO: How can I pay for modernisation when we are not going to take over this unit? That is why we denotified it. There is no question of paying for modernisation.

श्री सत्य प्रकाश मालवीय : माननीय सभापति जी, बंगाल पोटरीज में जो काम कर रहे है उनमें काफी तादाद बिहार और उत्तर प्रदेश के मजदूरों की है। मैं यह जानना चाहता हूं कि क्या सरकार इस बात पर विचार करेगी कि नये सिरे से बंगाल पोटरीज का

सारा प्रबंध और इसकी भागेदारी उन्हीं कर्मचारियों को दी जाये ? इस मामले में सरकार उनकी कुछ मदद करने के लिये तैयार है ?

MR. CHAIRMAN: Would you like to give it to the workers?

SHRI J. VENGAL RAO: We will be happy if the workers are ready.

SHRI SUKOMAL SEN: Sir, as has been rightly said, it is not a simple question of Bengal alone. A majority of workers are from Bihar and Uttar Pradesh. I would like to know from the hon. Minister whether it is a fact that to examine the viability of this Company, the Government itself instituted the Tata Consultants and whether the Tata Consultants, after going through all the papers and other documents, came to the conclusion that with only Rs. 15 crores of investment by the Government—Rs. 10 crores by way of modernisation and Rs. 5 crores by way of working capital — this Company can be put to a position of viability. If so, then on what basis the Cabinet came to the conclusion that this Company is not viable and so it should be wound up? What is the reason that although the Tata Consultants gave a viability report the Cabinet came to the conclusion that it is not viable. On what grounds they came to that conclusion? Through which agency the Government came to this conclusion that it is not viable?

SHRI J. VENGAL RAO: Sir, there are so many expert reports. After consulting all the reports the Cabinet has taken a decision. Sir, it s a final decision. (*Interruptions*)

SHRI SUKOMAL SEN: Cabinet members are not experts. What reports have they considered? Tata Consultants are experts. Cabinet members are not experts. They have to appoint some agency An agency was appointed. That agency gave a report that it is viable. Is it a political decision, I want to know.

श्री जगदम्बी प्रसाद यादव : केबीनेट का बहाना क्यों ले रहे हैं...

श्री सभापति : यह और केबीनेट कोई अलग-अलग नहीं है ।

SHRI SUKOMAL SEN: Is it a political decision? He should reply to it.

SHRI J. VENGAL RAO: Sir, it is not a political decision. It is a commercial and economic decision whether the Government will get benefit or not. It is not a political decision

MR. CHAIRMAN: Question No. 82.

Workers' participation in CIL

*82. SHRI CHATURANAN MISHRA:†
SHRI GURUDAS DAS GUPTA:

Will the Minister of ENERGY be pleased to state:

(a) whether any steps have been taken for the implementation of the proposed schemes of workers' participation in the management of Coal India Limited;

(b) if so, what are the details thereof?

(c) whether it is a fact that certain central trade unions have sought the modification of certain clauses of the scheme which involve workers' interests; and

(d) if so, what are the details thereof and what is Government's response thereto?

THE MINISTER OF STATE IN THE DEPARTMENT OF COAL IN THE MINISTRY OF ENERGY (SHRI C. K. JAFFAR SHARIEF): (a) to (d) Department of Coal has finalised a scheme to give representation to employees on the Boards of Coal India and its subsidiary companies. This was discussed in the JBCCI. The scheme was further discussed with the trade union leaders on 16-2-1988 by Energy Minister and certain suggestions have been made to make it more comprehensive and meaningful. These are being examined and the scheme will once again be discussed in the JBCCI before a final decision is taken for its implementation.

†The question was actually asked on the floor of the House by Shri Chaturanan Mishra.